

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON FEBRUARY 28,
2003 IN ST. GEORGE, UTAH

Board Members Present

Boyd Workman Chairman
Dale Pierson, Vice Chairman
Myron Bateman
Anne Erickson, Ed.D.
Jay Franson
Laurie McNeill, Ph.D.
Charlie Roberts
Chris Webb

Board Members Excused

Nancy Melich
Dianne Nielson, Ph.D.
Ruth Perry

Staff

Kevin Brown
Michael Georgeson
Rich Peterson
Tim Pine
Ken Wilde
Linda Matulich

Guests

Kelly Laws, Blanding City
Danny Fleming, Blanding City
Jennifer Peterson, self
Jay Andrus, East Carbonville Water
Gary Thayne, Thayne Water Company
Lester Thayne, East Wellington Water
Mark Clark, Weber Basin Water
Phillip Palmer, Price River WID
Reed Noble, Creamer & Noble
Jim Snyder, Creamer & Noble
Russ Galleon, Beaver Dam Estates
Jody Defa, Timber Lakes
Chuck Jeffs, Rural Water Association
Eilen Jeffs, self
Curtis Ludvigson, Rural Water Association
Russ Donoghue, Rural Water Association
Wayne Thomas, DEQ Engineer
Kevin Axelgard, Carbonville Water Company
Doug Nielsen, Sunrise Engineering

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in St. George, Utah with Chairman Workman presiding. The meeting was called to order at 1:50 p.m.

ITEM 2 – ROLL CALL

Chairman Workman asked Kevin to call roll of the Board members. The roll call showed there were 8 members present at the time.

ITEM 3 – INTRODUCTIONS

Chairman Workman welcomed everyone and asked the guests to introduce themselves.

ITEM 4 – APPROVAL OF MINUTES

Chairman Workman stated a motion to approve the January 17, 2003 and February 7, 2003 minutes were in order.

Charlie Roberts moved the Board approve the January 17, 2003 and February 7, 2003 minutes.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 5 – STATE SRF/REVOLVING LOAN FUND (SRF)/CONSERVATION COMMITTEE

1) SRF/Conservation Report – Vice Chairman Pierson

Dale Pierson thanked the Board for attending the Rural Water Association's annual conference. Chairman Workman was elected to the Rural Water Association of Utah's Board. Grand County Water Conservancy District won the "Best Tasting Water in Utah" award at the Rural Water Association's conference.

2) Status Report

Michael Georgeson reported the Board has available a little more than \$3.2 million in the state fund account. Staff received all of the scheduled repayments to date. The December special session of the Legislature reduced the sales tax to a little over \$500,000 for fiscal year 2003. The Legislature did cap the total amount of sales tax money for the water programs at \$17,500,000.

Mike mentioned the Board has available \$9.4 million, which includes \$1.4 million in repayments and \$650,000 in hardship grants, in the federal SRF account. There is a total of \$2.07 million in the second round of money to be used. Also included in the packet is a Federal SRF Items of Interest information sheet for the Board.

Discussion followed.

Russ Galleon described, for the Board's information, the Beaver Dam Estates project to consolidate the water systems serving the different phases into one system.

3) Planning Projects Discussion

Jay Franson mentioned he wanted the Planning Projects program to be put on the agenda for discussion and give more in-depth background information to the new board members. The information in the packet was very helpful and gives a better understanding of the Planning Grants program. Jay went over some of his concerns he had on the program.

Chairman Workman gave some additional background history on the Planning Projects program for the new Board members.

Discussion followed.

4) State SRF Applications

a) Blanding City

Chris Webb declared a Conflict of Interest, asked to make the presentation on Blanding City's project, and then stepped out of the room during the discussion and motion process.

Rich Peterson reported Blanding City requested \$30,000 for a design advance from the Board to conduct a study on citing emergency drought relief wells.

Chris Webb introduced Councilman Kelly Laws and Danny Fleming, Blanding City representatives.

Chris Webb reported Blanding City is seeking funding for their project. Chris gave some background information on their water project. Chris said Blanding City hopes to work out a purchase or a combination to use the new water source for drinking water. Chris said he and City staff were instructed to proceed with finding some funding to help with an engineering project. Blanding City hopes to get one well close enough to the drinking water system to provide a source of drinking water. The city has banned outside watering. Blanding City's long-term goal is to identify a series of ground water wells to help stabilize the drought situation. As part of the process, Blanding City basically has a 500 square mile area around Blanding City that they want to do a hydrogeological search on to spot any wells that would be economically viable for development.

Chris passed out a handout with some new figures on it and explained the changes from the information listed in the packet. The City is currently in the process of going through a rate structure review process. The master plan has been completed. Blanding City is requesting the Board consider granting Blanding City a \$15,000 Hardship Grant and a \$15,000 loan for 5 years at 0%.

Chris Webb stepped out of the room.

Discussion followed.

Myron Bateman moved the Board authorize Blanding City a \$15,000 Hardship Grant. If additional funding is not available, then Blanding City will be allowed to receive the \$15,000 loan for 5 years at 0%.

Boyd Workman seconded.

Discussion on motion.

Kelly Laws and Danny Fleming, Blanding City representatives, addressed the Board.

Dale Pierson mentioned Danny Fleming was recognized by the Rural Water Association as the Water System Operator of the Year.

**CARRIED
(Unanimous)**

Chris Webb returned.

5) Federal SRF Applications

a) Price River Water Improvement District

Ken Wilde mentioned the Price River Water Improvement District applied for a loan on behalf of five small water companies for a drinking water project. This project would connect the five companies to the Price River Water Improvement District water system. The improvements proposed consist of constructing water lines, residential services, fire hydrants, appurtenances, and related road resurfacing for the five water companies. The five companies would then be dissolved and Price River Water Improvement District would become the water purveyor. Ken said he looked over the project and met with the five water companies and Price River Water Improvement District.

Ken reviewed the repayment schedule and the table on page 3 for Price River Water Improvement District.

Phillip Palmer, Price River Water Improvement District representative, addressed the Board.

Jay Andrus, East Carbonville Water representative, and other water system representatives of the five water companies for this project, addressed the Board.

Discussion followed.

Jay Franson moved the Board authorize Price River Water Improvement District \$904,000 in funding for 20 years with principal forgiveness of \$181,000 based on the condition of lowering the interest to 1.2% instead of the 1.27%.

Discussion on motion.

Jay Franson withdrew his motion.

Myron Bateman moved the Board authorize Price River Water Improvement District a loan of \$904,000 with principal forgiveness of \$181,000 for 20 years at 1.27%.

Discussion on motion.

Chris Webb seconded.

CARRIED

Seven voted yes.

Jay Franson opposed.

b) Project Priority Revisions

Ken Wilde mentioned two water districts have been added to the Project Priority List: Timber Lakes Special Service District and Twin Creeks Water Improvement District. The recommendation from the SRF Conservation Committee is to approve the revised project priority list and authorize distribution for public notice.

Discussion followed.

Chris Webb moved to approve the updated Project Priority List and authorize distribution for public notice.

Ann Erickson seconded.

**CARRIED
(Unanimous)**

Chris Webb left.

**ITEM 6 – REPEAL R309-710 DRINKING WATER SOURCE PROTECTION FUNDING
RULE**

Kevin Brown reported staff is asking the Board to repeal the R309-710 Drinking Water Source Protection Funding Rule. The source protection plans were due the end of 2000. Staff provided some money to help assist small water systems in developing their Drinking Water Source Protection Plans. Now the rule is in place, all of the water systems have pretty much done all of their source protection plans, and the due date has passed. Staff feels there is no need to have this rule in place any longer. Staff is asking the Board to set an effective date of March 5, 2003 with the Division of Administrative Rules to repeal the rule.

Dale Pierson moved the Board direct staff to file a “Notice of Effective Date” form with the Division of Administrative Rules to establish March 5, 2003, as the effective date of repeal of this rule.

Anne Erickson seconded.

**CARRIED
(Unanimous)**

ITEM 7 – CHAIRMAN’S REPORT

a) Outgoing Board Members:

1. Ruth Perry
2. Boyd Workman

Chairman Workman mentioned Ruth Perry is in the process of retiring, and will no longer be able to serve on the Board. Chairman Workman will have served his two terms on May 8, 2003, and will no longer be able to serve on the Board.

Chairman Workman mentioned there was a special 1/16% Sales Tax water meeting with the Water Quality Chairman, the Water Resources Chairman, and staff. Chairman Workman brought the Board up-to-date on the decision the three Boards made.

Chairman Workman thanked Dale’s water system for their good water.

Chairman Workman thanked the Rural Water Association for the award he received, and also being elected to serve on the Rural Water Board.

Chairman Workman mentioned Central Utah would like to invite the Board to visit their new project at the April 11, 2003 Board meeting to be held in Orem.

ITEM 8 – DIRECTORS REPORT

a) Drought Report

Kevin Brown reported the drought is still continuing. There are several good articles and handouts on the drought and the reservoir level issues. We are still facing drought issues throughout the state no matter what happens precipitation wise over the next two months.

Discussion followed.

b) Legislative Update

Kevin Brown reported the 1/16% sales tax is still intact for another year, and will probably see another attack next year.

There are couple of bills staff has an interest in: 1) Senate Bill 75 which allows water systems to have the FBI do background checks on their employees and contract people they may be concerned about. This bill did pass. 2) House Bill 227. The bill basically states that any chemical addition to drinking water except for chlorine has to be approved by the Food and Drug Administration. The Food and Drug Administration does not have any authority over anything that is added to drinking water. This bill died in Committee.

Dale Pierson mentioned the Rural Water Association is proposing a bill dealing with collections that states municipalities and water districts may not turn a water connection off if the connection is past due.

c) Budget Status

Kevin Brown reported staff's budget was reported on at the last Board meeting. We have lost a lot in our out-of-state travel for training and staff. We have also lost a significant amount of money in our computer technology support in replacing computers, etc. There were other Divisions in the Department that were hit harder than us. We had some significant reductions in the amount of money that was passed through to the local health departments for sanitary surveys. This will mean a reduced number of sanitary surveys being done by the local health departments.

Kevin mentioned there would be two groups from EPA coming over to do a program review. Kevin will be able to give the Board an update at the next Board meeting.

Mike Georgeson mentioned Darren Schorer, from EPA's Inspector General's Office, would be doing an audit of the SRF program.

ITEM 9 – NEWS ARTICLES

The news articles are in the packet.

ITEM 10 – LETTERS

The letters are in the packet.

ITEM 11 – UPDATE

The update is in the packet.

ITEM 12 – 2003 UTAH WATER USERS' ANNUAL CONFERENCE INFORMATION

The 2003 Utah Water Users' Annual Conference information is in the packet.

ITEM 13 – NEXT BOARD MEETING

The next Board meeting will be held on April 11, 2003 in Orem, Utah.

ITEM 14 – OTHER

Anne thanked everyone for filling in during her absence, and allowing her to take leave.

Ken Wilde gave an update on Wendover City. Congress did authorize a \$1.7 million grant to go to Wendover, that Dale Pierson's water district so graciously gave up. A blank

application has been sent to Wendover to fill out to ask for the \$1.7 million and to specify what they propose to do with the money.

ITEM 15 – ADJOURN

Chairman Workman stated a motion to adjourn the Board meeting would be in order.

Myron Bateman moved to adjourn the Board meeting at 3:55 p.m.

Meeting adjourned.

CARRIED
(Unanimous)

Linda Matulich
Recording Secretary